HOUSING MARKET INFORMATION

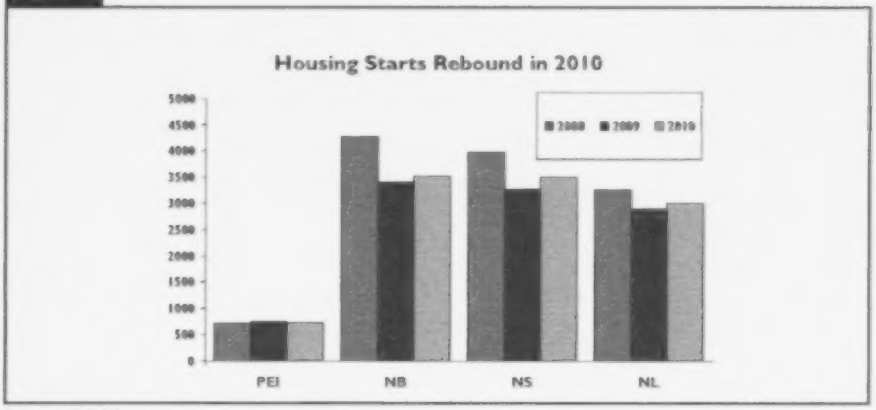
HOUSING MARKET OUTLOOK
Atlantic Region Highlights

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Fourth Quarter 2009

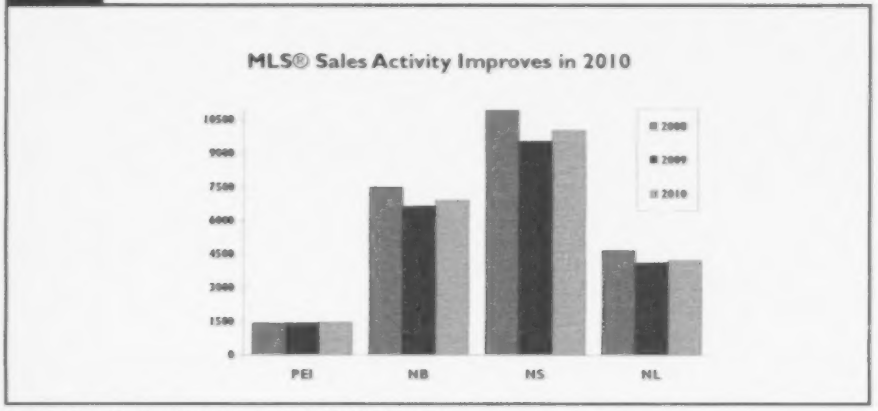
Housing Starts Rebound in 2010

Figure 1



Source: CMHC

Figure 2



Source: Canadian Real Estate Association, CMHC Forecast
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[1]This outlook is subject to uncertainty. Although point forecasts are presented in this publication, CMHC also presents forecast ranges and risks where appropriate. The forecasts included in this document are based on information available as of October 1, 2009.

Overview[1]

Housing starts will rise moderately in Atlantic Canada in 2010 following an expected decline in 2009. Both singles and multiples will decline this year as economic growth continues to be affected by the global slowdown.

A gradual recovery is expected in 2010. The housing sector in Atlantic Canada is forecast to show positive growth of over four per cent in 2010. A favourable interest rate environment for consumers and additional fiscal and monetary stimulus will provide support for positive economic growth and housing activity in 2010.

Low vacancy rates will support an increase in multiples activity, as builders begin to refocus their efforts in 2010. Demographic trends related to an aging population and improving financial conditions will also help support a rebound in 2010.

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Prices Will Continue to Rise in 2010

With inventory levels remaining lower in 2009, the growth in prices in the existing home market has continued, with prices up six per cent so far in 2009. It is expected that the growth in prices will remain close to current levels for the remainder of 2009, with a further rise of three per cent in 2010.

MLS® Sales Will Increase in 2010

In 2009, existing home sales activity is expected to decline across the region. Favourable market conditions including lower inventory levels and historically low mortgage rates, will continue to allow potential homeowners, particularly first time home buyers, to enter the market. As a result, the 2009 forecast continues to improve from previous forecasts, with sales expected to now decline less than 12 per cent. Momentum in the market will continue in 2010, as sales are expected to rise over four per cent.

Economic Forecast

The recent rise in both the dollar and energy prices has impacted the current and future growth prospects for exporters. Additional spending in 2009-2010 on infrastructure projects at both the provincial and municipal levels across Atlantic Canada, will help offset some of the expected decline in 2009. A global recovery and improvements in consumer activity will help support positive economic growth in 2010.

For Newfoundland and Labrador, weaker oil prices and natural declines in oil production have resulted in significant declines in manufacturing shipments. At the same time, significant growth in labour income has resulted in positive retail sales in 2009. Infrastructure spending in 2009-2010 by the provincial government will offset some of the expected decline in private sector spending.

For Nova Scotia, growth in the service sector is offsetting declines in the goods sector. This has included growth in educational services, accommodation and food services and the public sector. Consumer spending in 2009 has been weak, although the current environment for interest rates is supportive for future growth in 2010.

The economic downturn in New Brunswick in 2009 resulted mostly from soft commodity prices, combined with a stronger Canadian dollar, as well as a decline in capital spending, as large scale projects are now complete or near completion. This will be partially offset by increased spending in 2009-2010 on infrastructure projects at both the provincial and municipal level.

Consumer spending in Prince Edward Island was weaker as of July 2009 compared to the same seven month period of 2008. An improving trend in auto sales and higher labour income suggest, however, that the outlook will become more positive in 2010. Tourism operators were expecting to do better in 2009 although the outlook has been affected by the poor weather in June and July. Better weather in August and the Canada Summer games have helped to increase tourism activity. The agriculture sector is doing better, as a result of higher potato exports. Prices are expected to improve moderately, as a result of a reduction in planted acreage.

Mortgage rates		
1 Year	Q2 2009	3.85
	% pt. chg from Q2 2008	-2.83
	2009 (F)	4.03
	2010 (F)	3.83
5 Year	Q2 2009	5.45
	% pt. chg from Q1 2008	-1.48
	2009 (F)	5.55
	2010 (F)	5.75

Source: Bank of Canada, CMHC Forecast

Atlantic Region Economic and Housing Indicators

		Labour Market				Housing Market				
		Emp. Growth SA[2] (%)	Unemp. Rate SA[2] (%)	Average Weekly Earnings ($)		Total Starts	Single-Detached Starts	Multiple Starts	MLS® Sales	MLS® Average Price ($)
St. John's	Q3 2009	-0.4	8.6	774.59	Q3 2009	524	422	102	1,504	$206,852
	Q3 2008	2.8	8.0	775.45	Q3 2008	660	520	140	1,695	$182,306
	Change[1]	-3.2	0.6	-0.1%	% Change	-20.6	-18.8	-27.1	-11.3	13.5
Charlottetown[1]	Q3 2009	0.9	7.1	n/a	Q3 2009	223	99	124	n/a	n/a
	Q3 2008	1.2	6.6	n/a	Q3 2008	111	97	14	n/a	n/a
	Change[1]	-0.3	0.4	-	% Change	100.9	2.1	785.7	_	_
Halifax[2]	Q3 2009	3.5	6.6	755.39	Q3 2009	707	277	430	1,220	$236,555
	Q3 2008	-0.7	5.3	725.00	Q3 2008	656	367	289	1,236	$228,070
	Change[1]	4.2	1.3	4.2%	% Change	7.8	-24.5	48.8	-1.3	3.7
Fredericton	Q3 2009	6.4	4.6	n/a	Q3 2009	273	161	112	622	$152,967
	Q3 2008	0.0	4.2	n/a	Q3 2008	193	166	27	619	$145,100
	Change[1]	6.4	0.4	-	% Change	41.5	-3.0	314.8	0.5	5.4
Moncton	Q3 2009	0.1	7.0	726.52	Q3 2009	312	166	146	722	$155,260
	Q3 2008	0.4	5.4	654.64	Q3 2008	400	173	227	763	$140,928
	Change[1]	-0.3	1.7	11.0%	% Change	-22.0	-4.0	-35.7	-5.4	10.2
Saint John	Q3 2009	4.3	5.5	754.83	Q3 2009	168	115	53	607	$165,533
	Q3 2008	-4.3	6.2	723.74	Q3 2008	297	145	152	701	$157,608
	Change[1]	8.6	-0.7	4.3%	% Change	-43.4	-20.7	-65.1	-13.4	5.0
NL	September 09	-0.1	15.3	754.41	Q3 2009	1,047	896	151	1,504	$206,852
	September 08	-0.6	13.5	742.95	Q3 2008	1,227	1,014	213	1,695	$182,306
	Change[1]	0.5	1.8	1.5%	% Change	-14.7	-11.6	-29.1	-11.3	13.5
PEI	September 09	-1.1	11.8	638.18	Q3 2009	277	147	130	469	$146,645
	September 08	1.7	11.3	631.70	Q3 2008	221	191	30	541	$139,073
	Change[1]	-2.9	0.5	1.0%	% Change	25.3	-23.0	333.3	-13.3	5.4
NS	September 09	-0.9	9.5	708.24	Q3 2009	1,339	742	597	3,054	$194,781
	September 08	2.3	7.7	678.80	Q3 2008	1,322	894	428	3,210	$187,712
	Change[1]	-3.2	1.8	4.3%	% Change	1.3	-17.0	39.5	-4.9	3.8
NB	September 09	0.2	8.1	712.68	Q3 2009	1,189	802	387	2,098	$153,449
	September 08	0.7	8.1	674.72	Q3 2008	1,406	868	538	2,295	$142,669
	Change[1]	-0.5	0.0	5.6%	% Change	-15.4	-7.6	-28.1	-8.6	7.6
Atlantic Region	September 09	-0.4	10.4	728.23	Q3 2009	3,852	2,587	1,265	7,125	$181,990
	September 08	1.2	9.2	686.99	Q3 2008	4,176	2,967	1,209	7,741	$169,775
	Change[1]	-1.6	1.2	6.0%	% Change	-7.8	-12.8	4.6	-8.0	7.2
Canada	September 09	-2.1	8.4	807.66	Q3 2009	42,934	23,173	19,761	135,182	$327,736
	September 08	1.5	6.2	789.08	Q3 2008	58,292	27,724	30,568	114,786	$296,173
	Change[1]	-3.6	2.2	2.4%	% Change	-26.3	-16.4	-35.4	17.8	10.7

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[1]Changes to the Unemployment Rate and Employment Growth represent the ***absolute*** difference between current rates and the rates for the same period in the previous year.

[2] Seasonally adjusted Labour Force data is not available for Charlottetown, Fredericton, Moncton and, therefore, raw data was used.

Source: Statistics Canada (CANSIM), CMHC (Starts and Completions Survey), CREA, [1] PEI Real Estate Association, [2] Nova Scotia Association of REALTORS®

"SA" means Seasonally Adjusted n/a: Not Available

Atlantic Region Housing Forecast - New Construction

	Housing Starts	2008	2009(F)*	% chg (2008/2009)	2010(F)*	% chg (2009/2010)	YTD 2009	YTD 2008	% chg (2008/2009)
St. John's	Single-Detached	1,485	1,375	-7.4	1,450	5.5	997	1,029	-3.1
	Multiple	378	300	-20.6	350	16.7	186	259	-28.2
	Total	1,863	1,675	-10.1	1,800	7.5	1,183	1,288	-8.2
Charlottetown	Single-Detached	280	250	-10.7	275	10.0	189	211	-10.4
	Multiple	146	255	74.7	240	-5.9	246	82	200.0
	Total	426	505	18.5	515	2.0	435	293	48.5
Halifax	Single-Detached	1,180	900	-23.7	1,000	11.1	625	930	-32.8
	Multiple	916	890	-2.8	1,070	20.2	701	761	-7.9
	Total	2,096	1,790	-14.6	2,070	15.6	1,326	1,691	-21.6
Fredericton	Single-Detached	475	375	-21.1	385	2.7	284	364	-22.0
	Multiple	223	330	48.0	285	-13.6	272	151	80.1
	Total	698	705	1.0	670	-5.0	556	515	8.0
Moncton	Single-Detached	566	410	-27.6	425	3.7	299	416	-28.1
	Multiple	793	560	-29.4	610	8.9	362	593	-39.0
	Total	1,359	970	-28.6	1,035	6.7	661	1,009	-34.5
Saint John	Single-Detached	488	400	-18.0	400	0.0	272	364	-25.3
	Multiple	344	315	-8.4	280	-11.1	254	305	-16.7
	Total	832	715	-14.1	680	-4.9	526	669	-21.4
NL	Single-Detached	2,725	2,500	-8.3	2,575	3.0	1,822	1,922	-5.2
	Multiple	536	400	-25.4	425	6.3	267	376	-29.0
	Total	3,261	2,900	-11.1	3,000	3.4	2,089	2,298	-9.1
PEI	Single-Detached	521	400	-23.2	450	12.5	297	404	-26.5
	Multiple	191	340	78.0	275	-19.1	280	123	127.6
	Total	712	740	3.9	725	-2.0	577	527	9.5
NS	Single-Detached	2,636	2,000	-24.1	2,075	3.8	1,545	2,024	-23.7
	Multiple	1,346	1,275	-5.3	1,425	11.8	1,006	1,082	-7.0
	Total	3,982	3,275	-17.8	3,500	6.9	2,551	3,106	-17.9
NB	Single-Detached	2,519	2,050	-18.6	2,145	4.6	1,562	1,899	-17.7
	Multiple	1,755	1,350	-23.1	1,380	2.2	1,033	1,356	-23.8
	Total	4,274	3,400	-20.4	3,525	3.7	2,595	3,255	-20.3
Atlantic Region	Single-Detached	8,401	6,950	-17.3	7,245	4.2	5,226	6,249	-16.4
	Multiple	3,828	3,365	-12.1	3,505	4.2	2,586	2,937	-12.0
	Total	12,229	10,315	-15.7	10,750	4.2	7,812	9,186	-15.0
Canada	Single-Detached	93,202	70,351	-24.5	79,700	13.3	51,016	72,320	-29.5
	Multiple	117,854	71,550	-39.3	85,200	19.1	51,488	91,669	-43.8
	Total	211,056	141,900	-32.8	164,900	16.2	102,504	163,989	-37.5

* Although point forecasts are provided in this table, please refer to the Housing Forecast Range table at the end of this report for the relevant ranges

Source: CMHC (Starts and Completions Survey)

(F) = CMHC Forecast

Atlantic Region Housing Forecast - Resale Market

		2008	2009(F)*	% chg (2008/2009)	2010(F)*	% chg (2009/2010)	YTD 2009	YTD 2008	% chg (2008/2009)
St. John's	MLS® Sales(#)	3,835	3,450	-10.0	3,575	3.6	3,123	3,492	-10.6
	MLS® Avg. Price ($)	187,571	215,500	14.9	225,500	4.6	203,635	173,291	17.5
Charlottetown[1]	MLS® Sales(#)	595	550	-7.6	575	4.5	n/a	n/a	_
	MLS® Avg. Price ($)	175,231	183,000	4.4	186,000	1.6	n/a	n/a	_
Halifax[2]	MLS® Sales(#)	6,205	5,550	-10.6	5,900	6.3	4,682	5,327	-12.1
	MLS® Avg. Price ($)	229,916	237,500	3.3	243,500	2.5	237,031	229,785	3.2
Fredericton	MLS® Sales(#)	2,160	2,075	-3.9	2,150	3.6	1,796	1,830	-1.9
	MLS® Avg. Price ($)	152,268	159,000	4.4	166,500	4.7	161,880	154,871	4.5
Moncton	MLS® Sales(#)	2,663	2,225	-16.4	2,300	3.4	1,864	2,198	-15.2
	MLS® Avg. Price ($)	143,173	149,500	4.4	155,500	4.0	150,774	143,684	4.9
Saint John	MLS® Sales(#)	2,166	1,750	-19.2	1,650	-5.7	1,552	1,787	-13.2
	MLS® Avg. Price ($)	158,117	168,500	6.6	172,000	2.1	168,953	159,147	6.2
NL	MLS® Sales(#)	4,695	4,100	-12.7	4,200	2.4	3,123	3,492	-10.6
	MLS® Avg. Price ($)	178,477	204,000	14.3	212,000	3.9	203,635	173,291	17.5
PEI	MLS® Sales(#)	1,413	1,400	-1.0	1,475	5.4	1,019	1,064	-4.2
	MLS® Avg. Price ($)	139,944	146,000	4.3	150,000	2.7	145,720	137,654	5.9
NS	MLS® Sales(#)	10,874	9,500	-12.6	10,000	5.3	7,923	9,102	-13.0
	MLS® Avg. Price ($)	189,902	195,000	2.7	200,000	2.6	197,364	191,868	2.9
NB	MLS® Sales(#)	7,555	6,650	-12.0	6,900	3.8	5,572	6,257	-10.9
	MLS® Avg. Price ($)	145,762	150,100	3.0	155,600	3.7	155,573	147,172	5.7
Atlantic Region	MLS® Sales(#)	24,538	21,650	-11.8	22,575	4.3	17,637	19,915	-11.4
	MLS® Avg. Price ($)	171,247	179,745	5.0	185,395	3.1	182,288	171,672	6.2
Canada[1]	MLS® Sales(#)	433,990	441,300	1.7	445,150	0.9	358,466	364,328	-1.6
	MLS® Avg. Price ($)	303,607	312,950	3.1	324,500	3.7	314,874	309,093	1.9

* Although point forecasts are provided in this table, please refer to the Housing Forecast Range table at the end of this report for the relevant ranges

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Source: CREA, [1] PEI Real Estate Association, [2] Nova Scotia Association of REALTORS®

(F) = CMHC Forecast n/a: Not Available

[1] Canada total excludes the territories

Atlantic Region Housing Forecast - Rental Market				
	Vacancy Rate		Average Rent 2-Bedroom Units	
	Oct 2008	Oct 2009(F)	Oct 2008	Oct 2009(F)
St. John's	0.8	1.0	630	700
Charlottetown	2.3	2.0	672	715
Halifax	3.4	3.4	833	850
Fredericton	4.3	4.5	697	710
Moncton	2.4	2.5	656	670
Saint John	3.1	2.8	618	630
Canada[1]	2.3	2.2	n/a	n/a

Source: CMHC Fall Rental Market Survey
(F) = CMHC Forecast
[1] All centres 100,000+

Atlantic Region - Housing Forecast Ranges

	2009			2010		
	Point Forecast	High Forecast	Low Forecast	Point Forecast	High Forecast	Low Forecast
Newfoundland						
Housing Starts	2,900	3,025	2,775	3,000	3,225	2,725
Multiple	400	425	375	425	475	375
Single	2,500	2,600	2,400	2,575	2,750	2,350
MLS® Sales	4,100	4,250	3,950	4,200	4,450	3,750
MLS® Average Price ($)	204,000	208,000	200,000	212,000	225,000	206,500
Prince Edward Island						
Housing Starts	740	800	675	725	800	650
Multiple	340	375	300	275	325	250
Single	400	425	375	450	475	400
MLS® Sales	1,400	1,450	1,350	1,475	1,575	1,350
MLS® Average Price ($)	146,000	148,500	144,000	150,000	157,500	146,250
Nova Scotia						
Housing Starts	3,275	3,400	3,150	3,500	3,825	3,175
Multiple	1,275	1,325	1,225	1,425	1,575	1,275
Single	2,000	2,075	1,925	2,075	2,250	1,900
MLS® Sales	9,500	9,750	9,300	10,000	10,850	9,250
MLS® Average Price ($)	195,000	197,500	192,500	200,000	210,000	195,000
New Brunswick						
Housing Starts	3,400	3,525	3,250	3,525	3,850	3,225
Multiple	1,350	1,375	1,275	1,380	1,475	1,225
Single	2,050	2,150	1,975	2,145	2,375	2,000
MLS® Sales	6,650	6,900	6,500	6,900	7,450	6,350
MLS® Average Price ($)	150,100	152,000	148,500	155,600	163,500	151,500
Canada						
Housing Starts	141,900	146,000	138,000	164,900	190,000	135,000
Multiple	71,550	73,850	69,200	85,200	96,400	71,900
Single	70,350	72,150	68,800	79,700	93,600	63,100
MLS® Sales	441,300	453,500	437,000	445,150	460,000	415,000
MLS® Average Price ($)	312,950	316,500	309,000	324,500	341,500	313,000

Sources : CMHC

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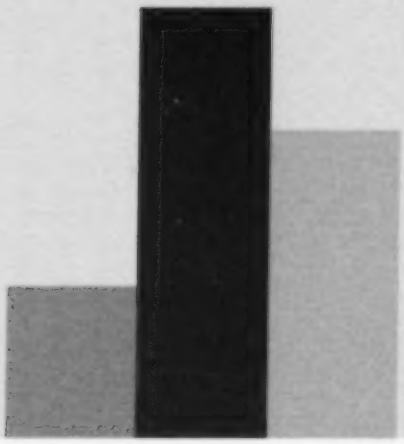

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